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FOLEY & LARDNER ONE MARITIME PLAZA SIXTH FLOOR SAN FRANCISCO, CA 94111			NELSON, FREDA ANN.	
			ART UNIT	PAPER NUMBER
			3639	

DATE MAILED: 05/09/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/849,076

Applicant(s)

GOLD ET AL.

Examiner

Freda A. Nelson

Art Unit

3639

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 05/03/2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-29 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☒ Claim(s) 12, 23, and 28 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 03 May 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- |                                                                                                                        |                                                                                         |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                            | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____                                                |

Art Unit: 3639

### **DETAILED ACTION**

This is in response to a letter for a patent filed on August 24, 2001 in which claims 1-29 were presented for examination. Claims 1–29 are pending.

#### ***Drawings***

1. The drawings are objected to because the "p" in "price" in the text label for Block 16 is obstructed. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application.
2. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character "**26**" has been used to designate both Disti quote? and quote for distributor; reference character "**32**" has been used to designate both Disti quote? and quote for distributor; and because reference character "**34**" has been used to designate both Calculate disti cost & resale and distributor cost and resale are calculated.
3. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference characters "**26**" and "**32**" have both been used to designate Disti quote? and quote for a distributor. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either

Art Unit: 3639

"Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Specification***

The disclosure is objected to because of the following informalities:

4. Page 10, line 28, please insert "so" before "that".

Appropriate correction is required.

### ***Claim Objections***

5. Claims 12, 23, and 28 are objected to because of the following informalities:

In claim 12, line 6, insert "and " before "applying"; and

In claim 23 (e), line 1, "pri" should be "price".

In claim 28, it is understood that the applicant intended to recite claims 28 and 29.

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Art Unit: 3639

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-15 and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-15 and 24-27 only recite an abstract idea. The recited steps of merely (a) receiving an inquiry requesting the price of an item; (b) determining the price of the item based on a set of predetermined criteria; (c) modifying the determined price based on application of various predetermined rules; (d) determining whether or not the modified price is to be compared to a target price; and (e) providing a price quote that reflects a weighted price, the weighted price being either the modified price or the target price does not apply, involve, use, or advance the technological arts since all of

Art Unit: 3639

the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to provide a price quote.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble. In the present case, none of the recited steps are directed to anything in the technological arts as explained above with the exception of the recitation in the preamble that the method is "automated". Looking at the claim as a whole, nothing the body of the claim recites any structure or functionality to suggest that a computer performs the recited steps. Therefore, the preamble is taken to merely recite a field of use.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-15 and 24-27 are deemed to be directed to non-statutory subject matter.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Art Unit: 3639

7. Claim 16 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

In claim 16 (a) –(e), the examiner is unable to determine what the applicant is claiming by the claim language “a code segment”.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claim 1 recites the limitation " the price" in line 3. There is insufficient antecedent basis for this limitation in the claim.

9. Claims 3-5, 10, 13-14, 22, and 25-27 recite the limitation "the group consisting of" in line 3 respectively. There is insufficient antecedent basis for this limitation in the claim.

10. Claim 7 recites the limitation " the group consisting of " in lines 2-3. There is insufficient antecedent basis for this limitation in the claim.

11. Claim 8 recites the limitation " the sub-steps" in line 3. There is insufficient antecedent basis for this limitation in the claim.

12. Claim 9 recites the limitation " the sub-steps" in line 4. There is insufficient antecedent basis for this limitation in the claim.

13. Claim 19 recites the limitation "the group consisting of" in lines 3-4. There is insufficient antecedent basis for this limitation in the claim.

Art Unit: 3639

14. Claim 20 recites the limitation "the group consisting of" in line 4. There is insufficient antecedent basis for this limitation in the claim.

15. Claim 28, recites the limitation "the group consisting of" in line 5. There is insufficient antecedent basis for this limitation in the claim.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

16. Claims 1-5, 7-8, 11-14, 16-20, 22-27, and 29 are rejected under 35 U.S.C. 102(b) as being anticipated by Reuhl et al. (Patent Number 5,873,069).

In claims 1-2 and 13, Reuhl et al. an automated system and apparatus which provides a buyer at the point of sale with price comparisons among competitors to ascertain the best price available for a product or a substantially similar product (col. 3, lines 5-11). Reuhl et al. further disclose that the system receives competitor price data for items, compares the competitors' prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor's price is an advertised price, a nonadvertised price or a value-added price (col. 4, lines 7-12). Reuhl et al. further disclose that the pricing program 204, in general operation, selects the



Art Unit: 3639

current active price of the product, compares it with the lowest competitor's price in a specified market, calculates a new user's price to be lower than the competitor's price, changes the ending cent in accordance with a cent code that corresponds to market type, i.e., profit margin of the product, compares the cent coded price with the competitor's price, calculates a new active user price to be lower than or equal to the competitor's price, stores the new active user price in the ITEM PRICE table (col. 11, lines 34-43).

In claim 3, Reuhl et al. disclose an automated system for pricing and repricing goods (or services) responsive to market price changes and relates, in particular, to a computerized system and apparatus for implementing complex pricing standards for the goods (or services) (col. 1, lines 6-10).

In claims 4 and 12, Reuhl et al. disclose that in overall operation, the system receives competitor price data for items, compares the competitors' prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor's price is an advertised price, a nonadvertised price or a value-added price (col. 4, lines 7-12).

In claim 5, Reuhl et al. disclose that the pricing response is directed to having the lowest price for any particular product based on price comparisons on the same or a substantially similar product sold by competitors in a specific geographic market and the number of markets that can be accommodated by the system of the present invention is not limited. Reuhl et al. further disclose

Art Unit: 3639

that there are five different geographic markets, however, the system is suitably an enterprise-wide (i.e., a multi-market, multi-facility, e.g., store) system and price changes are directed on a market-by-market basis (col. 6, lines 29-44).

In claim 7, Reuhl et al. disclose that the buyer has the opportunity to view the displayed results which demonstrate that the system user has the lowest price in the market for the product of interest, i.e., the system user's price is lower or equal to the lowest competitor's price (col. 11, lines 21-24).

In claims 8 and 14, Reuhl et al. disclose that the database of the system includes indicia for each item sold, including a product identification number, e.g., a stock keeping unit or SKU, the market in which it is sold, the price, value added characteristics, e.g., special financing arrangements (special handling) or premiums offered, and market type which relates to profit margin (col. 3, lines 61-66). Reuhl et al. further disclose that the pricing software defines an active price (i.e., the real-time current valid price) for every item; the active price is a function of a regular price (i.e., cost plus usual system user's markup), an advertised price (if the item is an advertised special), a sale price (if the item is a sale item with a percent off or dollars off the regular price), and competitors' prices for the identical or substantially similar item (col. 3, line 66 through col. 4, lines 6).

In claim 11, Reuhl et al. disclose that the system also contains a stored program-controlled application for pricing and repricing product items responsive to market price changes on a product-by-product and market-by-market basis. That is, as data records in the tables regarding system company prices and

competitor prices are updated, a pricing software program is invoked which automatically reprices items in accordance with a predetermined pricing standard or rules (col. 3, lines 41-48).

In claims 16-17, Reuhl et al. disclose that the system also contains a stored program-controlled application for pricing and repricing product items responsive to market price changes on a product-by-product and market-by-market basis. That is, as data records in the tables regarding system company prices and competitor prices are updated, a pricing software program is invoked which automatically reprices items in accordance with a predetermined pricing standard or rules (col. 3, lines 41-48). Reuhl et al. further disclose an automated system and apparatus which provides a buyer at the point of sale with price comparisons among competitors to ascertain the best price available for a product or a substantially similar product (col. 3, lines 5-11). Reuhl et al. further disclose that the system receives competitor price data for items, compares the competitors' prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor's price is an advertised price, a nonadvertised price or a value-added price (col. 4, lines 7-12). Reuhl et al. further disclose that the pricing program 204, in general operation, selects the current active price of the product, compares it with the lowest competitor's price in a specified market, calculates a new user's price to be lower than the competitor's price, changes the ending cent in accordance with a cent code that corresponds to market type,

Art Unit: 3639

i.e., profit margin of the product, compares the cent coded price with the competitor's price, calculates a new active user price to be lower than or equal to the competitor's price, stores the new active user price in the ITEM PRICE table (col. 11, lines 34-43).

In claims 18-19, Reuhl et al. disclose that the database of the system includes indicia for each item sold, including a product identification number, e.g., a stock keeping unit or SKU, the market in which it is sold, the price, value added characteristics, e.g., special financing arrangements or premiums offered, and market type which relates to profit margin (col. 3, lines 61-66). Reuhl et al. further disclose that the pricing software defines an active price (i.e., the real-time current valid price) for every item; the active price is a function of a regular price (i.e., cost plus usual system user's markup), an advertised price (if the item is an advertised special), a sale price (if the item is a sale item with a percent off or dollars off the regular price), and competitors' prices for the identical or substantially similar item (col. 3, line 66 through col. 4, lines 6).

In claims 20 and 27, Reuhl et al. disclose that the pricing response is directed to having the lowest price for any particular product based on price comparisons on the same or a substantially similar product sold by competitors in a specific geographic market and the number of markets that can be accommodated by the system of the present invention is not limited. Reuhl et al. further disclose that there are five different geographic markets, however, the system is suitably an enterprise-wide (i.e., a multi-market, multi-facility, e.g., store) system and price changes are directed on a market-by-market basis (col.

6, lines 29-44).

In claims 22 and 29, Reuhl et al. disclose that the buyer has the opportunity to view the displayed results which demonstrate that the system user has the lowest price in the market for the product of interest, i.e., the system user's price is lower or equal to the lowest competitor's price (col. 11, lines 21-24).

In claims 23-24, Reuhl et al. an automated system and apparatus which provides a buyer at the point of sale with price comparisons among competitors to ascertain the best price available for a product or a substantially similar product (col. 3, lines 5-11). Reuhl et al. further disclose that the system receives competitor price data for items, compares the competitors' prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor's price is an advertised price, a nonadvertised price or a value-added price (col. 4, lines 7-12). Reuhl et al. further disclose that the pricing program 204, in general operation, selects the current active price of the product, compares it with the lowest competitor's price in a specified market, calculates a new user's price to be lower than the competitor's price, changes the ending cent in accordance with a cent code that corresponds to market type, i.e., profit margin of the product, compares the cent coded price with the competitor's price, calculates a new active user price to be lower than or equal to the competitor's price, stores the new active user price in the ITEM PRICE table (col. 11, lines 34-43).

In claim 25, Reuhl et al. disclose an automated system for pricing and repricing goods (or services) responsive to market price changes and relates, in particular, to a computerized system and apparatus for implementing complex pricing standards for the goods (or services) (col. 1, lines 6-10).

In claim 26, Reuhl et al. disclose that in overall operation, the system receives competitor price data for items, compares the competitors' prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor's price is an advertised price, a nonadvertised price or a value-added price (col. 4, lines 7-12).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. Claims 6, 9-10, 21 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Reuhl et al. in view of Carter (Patent Number 6,553,350).

In claims 6, 9, and 28, Reuhl et al. does not disclose that price channel conversion rules are applied where the inquiry is received from a distributor. Carter discloses that for many enterprises pricing is typically performed on a customer by customer basis wherein for a particular product, each customer

Art Unit: 3639

gets a price that is different from the price offered to other customers and the difference in price for a particular product is a function of numerous factors. The type of product (e.g., hardware, software, or a particular service), the size of the customer, the type of customer organization (e.g., a wholesaler, distributor, or value added reseller), and the customer's geographic location are only a few of many factors that are used to determine a price recommendation for a sales representative (col. 1, lines 37-51). Reuhl et al. further disclose the invention sorts the various pricing adjustments applicable to a particular product offered to a particular purchasing group based on several criteria and after the sorting is accomplished the pricing adjustments are applied in sequence to arrive at a final price at which a particular product can be sold to a particular purchasing organization (col. 3, lines 59-65). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Reuhl et al. to include the feature of Carter in order to include pricing rules for for different types of customers.

In claim 10, Carter discloses that the invention can also account for any combination of purchasing organizations, organizational groups, products, or product groups and arrive at a final offering price in an efficient manner. For example, all CPU's may be offered to all Resellers (Distributors) at a general discount of 5%. This means that the same discount would be applicable to Adam (a Reseller) when purchasing a 486/33 CPU (col. 9, line 66 through col. 10, lines 5).

In claim 21, Carter discloses that for many enterprises pricing is typically

performed on a customer by customer basis wherein for a particular product, each customer gets a price that is different from the price offered to other customers and the difference in price for a particular product is a function of numerous factors. The type of product (e.g., hardware, software, or a particular service), the size of the customer, the type of customer organization (e.g., a wholesaler, distributor, or value added reseller), and the customer's geographic location are only a few of many factors that are used to determine a price recommendation for a sales representative (col. 1, lines 37-51). Reuhl et al. further disclose the invention sorts the various pricing adjustments applicable to a particular product offered to a particular purchasing group based on several criteria and after the sorting is accomplished the pricing adjustments are applied in sequence to arrive at a final price at which a particular product can be sold to a particular purchasing organization (col. 3, lines 59-65).

18. Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Reuhl et al. in view of Carter in further view of Pool et al. (Patent Number 6,460,020).

In claim 15, Reuhl et al. does not disclose that the conversion factor is selected from at least one of the group consisting of a markup from an OEM price to a distributor resale factor and a conversion from a distributor resale to a distributor cost factor, wherein the conversion from the distributor resale to the distributor cost factor is dependent on distributor registration. Pool et al disclose



Art Unit: 3639

that displayed with the price is a message indicating that the price displayed is limited to the vendor's factory, or one of his outlets, however the vendor may choose wherein the message will also indicate that the customer must request additional information to obtain the price for the product to be delivered to a destination of the customers choosing. It is crucial that the message clearly indicate to the customer that there is far more expense involved to obtaining the goods than merely the original price at the factory or the distributor of the vendor (col. 6, lines 36-50). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Reuhl et al. to include the feature of Pool et al. in order to provide a real price to a customer (col. 6, lines 50-51).

### ***Conclusion***

19. The examiner has cited prior art of interest, for example:

1) Stack (Patent Number 6,076,070), which discloses an apparatus and method for on-line price comparison of competitor's goods and/or services over a computer network.

2) Marn, Michael, "Virtual Pricing"; 2000, Mckinsely Quarterly, Issue 4, p128, 3p.

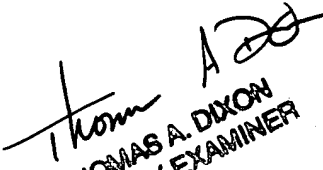
20. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Freda A. Nelson whose telephone number is (571) 272-7076. The examiner can normally be reached on Monday - Friday.

Art Unit: 3639

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on (571) 272-6812. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

FAN 04/29/2005

  
THOMAS A. DIXON  
PRIMARY EXAMINER